



**Directorate of
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International Issues Review

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August 1983

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International Issues Review

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This publication is produced by the Office of Global Issues. Some issues contain articles drafted in other offices. Some articles are preliminary or speculative in nature, but the contents are formally coordinated as appropriate with other offices within CIA. Occasionally an article represents the views of a single analyst; these items are clearly designated as uncoordinated views.

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Moscow is training an increasing number of LDC students, military personnel, and civilian technicians, both in the USSR and in LDCs. These programs provide the Soviets with the means of achieving immediate and long-range objectives, not the least of which is the opportunity to penetrate overtly and covertly the political, military, and technical establishments of target countries. [redacted]		25X1
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[redacted] <i>OGI, Communist Activities</i>		25X1
East Germany is an active partner in the USSR's drive to increase Communist presence and influence in the Third World. While the East German programs are small compared with the Soviet effort, they have grown to the point where the GDR now provides a number of complementary services ranging from traditional military and economic assistance to specialized activities such as developing local security and intelligence services. East German programs are most heavily concentrated in Africa and the Middle East, but recently the GDR has become more active in Latin America, particularly in Nicaragua. [redacted]		25X1
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China and Japan continue efforts to increase the size and scope of their nuclear relations. Beijing is pressing for a formal bilateral nuclear agreement. Domestic firms that want to export nuclear equipment to China are increasing pressure in Tokyo to reach an agreement. The Japanese feel constrained, however, by China's unwillingness to sign the Non-Proliferation Treaty (NPT), join the International Atomic Energy Agency (IAEA), or require IAEA safeguards on its nuclear exports. Recent disclosures by Beijing that it may soon join the IAEA could break the impasse. [redacted]		25X1

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Arms Transfers**Upgrading Soviet Weapons:
A Growing Worldwide Industry**

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OGI, Weapons Proliferation

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The maintenance and modification of Soviet-style weapon systems through the use of Western technology is becoming commonplace in the international arms market. For countries such as Egypt, Iraq, Somalia, China, Libya, and Peru—which have large inventories of Soviet model tanks, aircraft, and air defense systems and limited financial resources—such upgrading and modification extend the useful life of their inventories. West European suppliers are already well into this market and Third World countries like Israel, Singapore, and Brazil are becoming active. This activity may lead to unauthorized technology transfers, particularly by Third World companies licensed to assemble Western armaments.

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New German Assault Rifle:

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A Technological Breakthrough*OGI, Weapons Proliferation*

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A major West German arms manufacturer is developing a unique assault rifle which—because of its minimal recoil, high rate of fire, and superior accuracy—could revolutionize modern small arms design and become the European rifle of the 1990s. Field tests are scheduled to begin in 1984 and, if successful, could lead to adoption of the rifle by the West German and other NATO armed forces. The firm is already seeking a foreign coproducer in order to circumvent West German arms export restrictions, and interest in the weapon has also spread to Eastern Europe.

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Narcotics**Drug Trafficking Activities of
Insurgent and Terrorist Groups**

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[redacted] *OGI, Strategic Narcotics*

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Insurgent groups, particularly those in traditional narcotics growing areas, often play a major role in the cultivation and initial processing—though not in smuggling and distribution—of drugs. Terrorist groups, on the other hand, appear inhibited from direct or extensive involvement in drug trafficking, perhaps because of their relatively small size, compartmented structure, ideological predisposition, and separation from production centers. Increased trafficking by such groups—prompted by the lure of easy profits and the opportunity to help undermine the authority of local governments—would undoubtedly prove troublesome for producer countries but would not, we believe, supplant existing criminal organizations as the principal suppliers to the US drug market. [redacted]

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**Pakistan: Heroin Trafficking
Continues**

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[redacted] *OGI, Strategic Narcotics*

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Heroin seizures in Pakistan, Europe, and the United States indicate heroin laboratories in Pakistan's North-West Frontier Province still operate despite a November 1982 government-inspired crackdown by tribal leaders. Although the crackdown immobilized some processors, eliminated some laboratories, and dispersed a few refineries to surrounding areas including Afghanistan, we believe that the city of Landi Kotal and its environs remain the center for narcotics processing in Pakistan. Sustained enforcement efforts are hampered as high-level Pakistani authorities disagree on the extent of heroin production in and around Landi Kotal and the ability of tribal leaders to control the trade. [redacted]

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Comments and queries are welcome. They may be directed to the authors, whose names are listed above. [redacted]

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Communist Activities**Training LDC Personnel:
Moscow's Investment in
Political Penetration**

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Summary

Training programs for LDC personnel provide Moscow an opportunity to penetrate key Third World countries. Training is carried out in three separate programs aimed at three distinct groups—academic students pursuing careers in the professions, military personnel obtaining weapons training or preparing for command, and civilian technicians acquiring enhanced skills. After completing their courses, Soviet-trained LDC personnel often take positions in their countries' governments, military establishments, intelligence services, media, universities, and trade unions, or they become active in opposition movements. The number of such graduates is growing, and they will become an increasingly important factor in the political orientation of some governments.

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Soviet training programs provide the opportunity for penetration in three ways.¹ First, they develop individuals whose future career paths may give Moscow access to the levers of power in their country. Secondly, they create a network of people who have a common training experience and who in time may permeate the elites and power structure of their countries. Indeed, the Soviets have established "returnee" clubs in LDCs to keep the Soviet connection alive among their LDC alumni, according to the US Embassy in New Delhi. Finally, they provide, especially through the military training program, a means for Moscow to place significant numbers of Soviets in target LDCs. In this regard, the proliferation of advanced combat aircraft and missiles in particular has enhanced the opportunities for Soviet technical military instruction in LDCs.

The Academic Program

Soviet academic training for LDC nationals specializes in producing engineers, medical doctors, agronomists, lawyers, and other professionals suited for the demands of LDC development, according to open sources. Moscow completely subsidizes the academic program. Free tuition, medical care, living expenses, and round trip airfare attract LDC students, most of whom cannot finance a Western education. The Soviets award scholarships directly through their embassies, cultural centers, and friendship societies, and through official exchange agreements administered by indigenous ministries of education, universities, or the local Communist parties.

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The Soviets cull the LDC student population residing in the USSR for potential pro-Soviet leaders, They organize LDC

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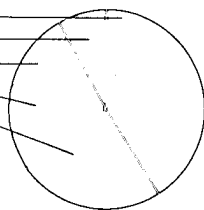
Figure 1
Geographic Origins of LDC Students in the USSR, 1972 and 1982

Percent

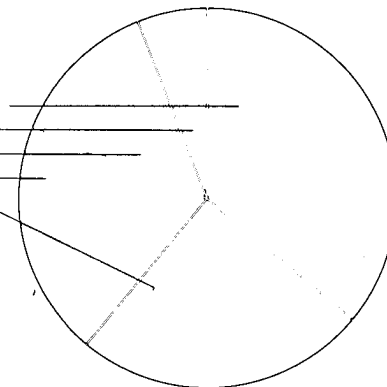
1972: 14,400 Students

1982: 50,400 Students

Sub-Saharan Africa-41
 North Africa-8
 Latin America-13
 East/South Asia-14
 Middle East-24



Sub-Saharan Africa-36
 North Africa-6
 Latin America-13
 East/South Asia-20
 Middle East-25



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students in each university or institute into Provisional University Committees (PUCs), headed by pro-Soviet students. The Soviets give pro-Soviet students special privileges and money to use in proselytizing new arrivals. Each PUC has a Soviet adviser who is probably a KGB officer. In addition, the LDC student leader of each PUC reports regularly to a Soviet official in the local municipality who, in turn, provides advice and money for PUC activities.

The number of LDC students enrolled in Soviet universities has more than tripled in the last 10 years. We estimate, based on US Embassy reporting, that Moscow has increased the total number of scholarships awarded from 14,400 in 1972 to 50,400 in 1982. The Soviets now provide academic scholarships to 94 LDCs, 14 more than 10 years ago.

The regional allocation of scholarships is changing. More are being awarded to South and East Asia, notably to Afghanistan in the aftermath of the Soviet invasion. The Middle East share has also grown as more scholarships are awarded to Palestinians in

Jordan, Lebanon, and Syria. Sub-Saharan Africa nevertheless continues to have the largest share of the growing academic program (figure 1).

The Military Training Program

The number of LDC personnel receiving military training and the intensity of this training are related to the volume or sophistication of arms deliveries. The proliferation of advanced combat aircraft and missiles—especially among newer, inexperienced clients—has enhanced the opportunities for Soviet military technical instruction. For example, Moscow sent 100 missile experts to Tanzania for the first time in 1975 to provide basic instruction, according to a Soviet defector, soon after Dar es Salaam turned to the USSR for SA-3 and SA-7 missile systems as well as other weapons. Similarly, the main function of Soviet pilot instructors in Syria was originally to teach experienced Syrian pilots to fly newly delivered MIG-23 aircraft.

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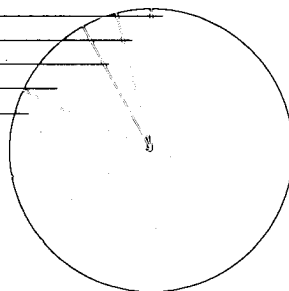
Figure 2
Geographic Distribution of Soviet Military and Quasi-Military Personnel in LDCs, 1972 and 1982

Percent

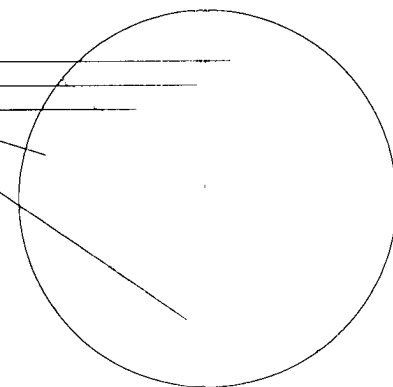
1972: 9,900 Personnel

1982: 17,500 Personnel

Middle East-72
 South Asia-4
 Latin America-4
 Sub-Saharan Africa-10
 North Africa-10



Middle East-40
 Latin America-1
 South Asia-13
 North Africa-21
 Sub-Saharan Africa-25



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Despite an increase of training in the LDCs, the widest variety of military instruction still is given in the USSR. Moscow provides technical training at military schools, which offer both theoretical and practical training for LDC officers; at academies, which typically give advanced training; and at special institutes, which provide brief courses on specific subjects such as weapons firing, according to attache reporting and open sources. [redacted]

LDC military personnel from 25 countries and insurgent groups are being trained in the USSR, according to attache reporting [redacted]. About 2,800 trainees departed for the Soviet Union in 1982, principally from the Middle East and North Africa, compared with 2,300 a decade earlier.² Altogether about 9,000 LDC military personnel were receiving training in the USSR in 1982, slightly less than the number of such personnel in the NATO countries. [redacted]

² We believe these are minimum figures for LDC military personnel in the USSR. [redacted]

Insurgent and irredentist groups, especially those from Sub-Saharan Africa and the Middle East, have become increasingly important as sources of military trainees in the USSR. We estimate, [redacted]

[redacted] that nearly 5 percent of Third World trainees sent to the USSR in 1978-82 were nongovernment personnel—mainly Palestinians and Zimbabwean insurgents—who received conventional military training. [redacted]

The military technical services program for LDCs has expanded rapidly since the mid-1970s. We estimate, based on US Embassy reporting, that in 1982 a record 17,500 Soviets were in LDCs, up from 9,900 in 1972. This program has expanded beyond its historic Middle Eastern and North African targets to encompass Sub-Saharan African and Latin American countries (figure 2). Moscow now provides military technical services in 30 LDCs, a net gain of 10 since 1972. [redacted]

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A growing LDC demand for Soviet intelligence and security experts has been encouraged by Moscow. The Soviets now provide security and intelligence training and assistance to several LDCs to help them protect their "revolutionary gains." According to US Embassy reporting, courses in surveillance and intelligence collection methods are given both in the USSR and in some LDCs, principally to Middle Eastern and North African students. []

Civilian Technician Program

The civilian technician program—which provides training in the USSR for LDC technicians in development-related skills—is the smallest of Moscow's three training programs. The number of civilian technician trainees doubled between 1972 and 1981 but declined marginally in 1982 to 1,700. Forty-one percent were from South Asia, principally Afghanistan and India; 25 percent from the Middle East; 21 percent from Sub-Saharan Africa; and 13 percent from North Africa. []

A Program Assessment

We believe the Soviets view the training programs as a success. The academic program has not yet produced an LDC president or prime minister, but the USSR can count among its alumni a member of the ruling Nicaraguan Directorate, four LDC cabinet ministers, three ambassadors, and three subcabinet directors.³ It also has alumni in the insurgency movements against the governments of El Salvador and South Africa. Moreover, some bureaucracies and professional groups in key LDCs have many graduates of Soviet universities. The military training program probably has had the greatest impact among heavily dependent clients, either as a result of a long-term relationship, as with Syria, or as a payoff from a rapid Soviet initiative in a crisis situation, Ethiopia being a case in point. []

In addition, the Soviets have benefited from the hard currency earnings generated by their military training programs in LDCs. Since the mid-1970s, Moscow has required payment in hard currency from financially well-off clients. We estimate, based on []

³ Egyptian President Mubarak attended two bomber schools and a command and staff school in the USSR during the mid-1960s but did not participate in the Soviet academic program. He emerged bitterly critical of Soviet motives for the training programs. []

[] attache reporting, that receipts from these clients, principally oil-rich states in the Middle East and North Africa, totaled about \$550 million in 1978-82, more than double the revenues of the previous five years. About three-fourths of these receipts probably were payments for Soviet performance of various military-related functions in LDCs, since Moscow absorbs most of the costs of training in the USSR, according to US attache reporting. []

These gains are not without risks. Some LDC students return from study in the USSR unconverted to Marxism-Leninism and critical of KGB surveillance, travel restrictions, and racial discrimination. Trainees in the military programs complain about blatant Marxist-Leninist proselytizing and deliberate under-training intended to tether LDC armed forces to Soviet advisers. Furthermore, the need to accommodate large numbers of Soviet military personnel in country has engendered mixed reactions among LDCs. At its worst, Soviet insensitivity to Egyptian nationalism played a part in provoking Egypt's expulsion of 12,000 technicians in 1972. In Algeria and Mozambique, respectively, the defense ministries are now attempting to diversify weapons procurement and to use Indian instructors for Soviet equipment in an effort to reduce the Soviet role. []

Outlook

While we do not have any direct intelligence that reflects Soviet plans for LDC training programs, we expect the programs to continue to grow in the near term. The Soviets are realizing gains from these programs and presumably consider the risks of disillusionment or expulsion manageable. Many target LDCs, whose leaders benefit from the programs, are likely to continue to take advantage of the Soviet training offers. This will become all the more probable as increasing numbers of graduates return to take positions of relative power and influence in their own countries. The Soviets will continue to expand the military training program since it is a quick and highly visible means for Moscow to demonstrate support for an LDC regime. []

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LDC alumni of Soviet schools who have become politically influential in their own countries include:

- *Henry Ruiz Hernandez, Nicaraguan Minister of Planning and member of the National Directorate of the Sandinista National Liberation Front, studied at Patrice Lumumba University in the late 1960s.*
 - *Henry Meebelo, trained as an economist in the Soviet Bloc and now Cabinet Minister of the National Commission for Development Planning (NCDP) in Zambia.*
 - *Zambian alumni of Soviet universities also include Henry Matipa, member of the ruling United National Party Central Committee; Leonard Chivuno, NCDP Director General; and E. H. B. Mwanang'onze, Permanent Secretary, Ministry of Mines.*
 - *Pedro Roberto Pereira, Panama's Ambassador to Venezuela, studied law in the USSR and subsequently traveled back to Moscow.*
 - *Joseph "Guze" Schembri, adviser on Soviet affairs at Malta's Ministry of Foreign Affairs and a member of the Central Committee of the Maltese Communist Party, has a degree from Taras Shevchenko University in Kiev.*
 - *Fatima Abd al-Mahmud, a member of the Sudanese People's Assembly and former Minister of Social Affairs, spent 12 years in the USSR for a diploma in public health from Lumumba University.*
 - *Fabio Castillo Figueroa, member of the Political-Diplomatic Commission, Farabundo Marti National Liberation Front (FMLN), El Salvador, studied at Lumumba University earlier in his career.*
 - *Kenneth Koma, leader of the Botswana National Front, was educated at the Academy of Sciences, Moscow.*
 - *Thabo Mbeki, chief of the African National Congress (ANC) political department and close adviser to the ANC president, studied at Patrice Lumumba University.*
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East Germany: Soviet Partner in the LDCs

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Summary

East Germany is an active partner in the USSR's drive to increase Communist presence and influence in the Third World. While the East German programs are small compared with the Soviet effort, they have grown to the point where the GDR now provides a number of complementary services—ranging from traditional military and economic assistance to specialized activities such as developing security and intelligence services. The GDR has contributed to the consolidation of a number of pro-Soviet regimes—notably in Angola, Mozambique, Ethiopia, South Yemen, and Syria—and developed links with LDC Communist parties, media, labor unions, and front organizations. East German programs are most heavily concentrated in Africa and the Middle East, but recently the GDR has become more active in Latin America, particularly in Nicaragua.

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East German Motives

Of the USSR's Warsaw Pact allies, East Germany plays the most active role in support of Soviet objectives in the Third World.¹ East Berlin no doubt shares many of Moscow's motives for penetrating Third World countries, but it also probably hopes to enhance its position with Moscow and thereby increase Soviet support for East German political and economic interests.

We believe that the East Germans in some instances act as surrogates performing duties at Soviet request and in other cases carry out programs in general coordination with Moscow but with the specifics left to East Berlin. The kinds of activities that appear to be most closely coordinated are those dealing with

intelligence and security, military assistance, and covert support to nonruling leftist and Communist parties. Other activities—such as economic assistance—are conducted much more independently, although with Moscow's knowledge and encouragement.

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In addition to supporting Moscow's foreign policy goals, East Germany's relations with the Third World apparently are driven by its desire to enhance its own international prestige, particularly vis-a-vis West Germany, and more recently by economic necessity, particularly the need to gain access to hard currency and export markets.

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Support of Soviet Objectives

East German programs complement Soviet programs by concentrating on selected countries and specializing in those areas that have the greatest potential for influence:

- Primarily through assistance in developing intelligence and security services and in reorganizing the government and party structure, the East Germans have helped to strengthen regimes in South Yemen, Mozambique, Ethiopia, Syria, and Angola.
- East Germany is one of the most active Warsaw Pact countries in assisting leftist insurgent groups. It has provided support or training (and, in some cases, weapons) to groups such as the South-West Africa People's Organization, according to State Department reports, and to the African National Congress, [redacted]. East Berlin also has provided intelligence and security training for members of the Palestine Liberation Organization, [redacted]. [redacted]
- East Berlin has responded rapidly and fairly generously to the Sandinista government in Nicaragua, providing \$30 million in military equipment and \$110 million in economic commitments since late 1979. East German advisers are involved in assisting the Sandinistas in developing their security apparatus and in reorganizing their party structure, [redacted]. [redacted] They have also provided limited aid and training to Guatemalan and Salvadoran insurgents.
- East Germany provides financial and technical support to pro-Soviet newspapers in Grenada, Peru, Greece, and Portugal and provides news services to a number of countries including Mozambique, Ethiopia, Zambia, Tanzania, Ghana, Syria, South Yemen, Greece, Cyprus, Burma, and India, according to US Embassy reports.
- East Germany's Communist Party, the SED, continues to develop and maintain direct links with leftist and Communist parties in Africa, South Asia, and Latin America. SED officials frequently attend party congresses and are involved in organizing and training party cadres as well as in providing advice and other support.

• East Germany is also an active participant in international Communist front organizations, such as the World Peace Council, and provides support to youth movements and trade unions. It has established friendship societies in countries throughout the Third World and has used these as well as cultural and sports activities to promote Soviet views.

• East Germany has several training programs for LDC personnel that augment Soviet and Warsaw Pact programs. We believe, based largely on the reporting of military attaches, that more than 1,000 trainees from LDCs departed for military and paramilitary instruction in East Germany between 1978 and 1982. [redacted]

East Germany also provides some political indoctrination, [redacted]

Coordination of Activities

There appears to be coordination, and some specialization, of activities in the Third World between the USSR and East Germany. The degree of coordination apparently varies, but in general it appears to be closest in activities dealing with arms sales, intelligence and military technical assistance, party cadre development, and support to liberation movements.

Arms Sales. According to US Embassy and military attache reporting, Warsaw Pact arms sales are coordinated with and in some instances orchestrated by Moscow—the amount of Soviet control varying with the size of the order, the type of equipment involved, and the political importance Moscow attaches to the client/supplier relationship. East Germany's military equipment sales account for less than 3 percent of total Warsaw Pact sales to the Third World but are concentrated in a few Soviet-supported states—primarily Iraq, Iran, Syria, Angola, Mozambique, Ethiopia, Zambia, and Nicaragua. [redacted]

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Support of Liberation Movements. East Germany's support of liberation and revolutionary movements also closely parallels that of the Soviet Union. For example, the East Germans joined the Soviets in backing Mozambique's FRELIMO and Angola's MPLA long before these movements came to power. On some occasions, the East Germans appear to have been used to establish contact with a movement when it was politically inopportune for Moscow to do so. For example, [] East Berlin established close relations with the Palestine Liberation Organization when Moscow officially treated it with caution; the PLO opened an office in East Berlin in 1973, three years before opening one in Moscow. []

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Outlook

We believe that most East German programs will continue to grow over the next several years. In our view, economic aid and trade will increase only

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East German Programs in the Third World

Although we are confident that our data accurately reflect the general size and pattern of East German activities, we are less confident about the specific details of individual programs. Programs differ from country to country, but one or more of the following elements are at the heart of East German efforts in each target country:

- **Intelligence and Military Advisers and Training.** We estimate that in 1982 there were 1,000 to 1,500 East German advisers in LDCs, mostly involved in assisting leftist regimes develop their intelligence and security services.
- **Political Influence Mechanisms.** East Germany uses a variety of mechanisms to penetrate or influence key sectors of LDC governments and populations—such as providing political advice and support to Marxist parties; training journalists and supporting leftist newspapers; and exploiting youth, labor, and front organizations.
- **Military Supply Program.** Since the start of its military supply program in 1964, the GDR has signed military sales agreements worth \$860 million with about 30 LDCs. Sales, primarily to Iraq and Iran, reached \$320 million in 1982 alone.
- **Economic Assistance.** East Germany has signed economic agreements totaling nearly \$3 billion with some 50 LDCs since the program began in 1955. In addition, the GDR had some 5,000 technicians in LDCs in 1982.
- **Trade.** East Germany's trade with Third World countries amounted to more than \$2 billion in 1981, accounting for 5 percent of East German foreign trade.

slightly—the emphasis being on hard currency earnings—and will have little direct impact on the United States. In contrast, East Germany will probably make

greater use of its intelligence and security training programs and its political influence mechanisms, activities that impact more directly on US interests. Furthermore, East Berlin's military supply program, while small in comparison to Moscow's, probably will continue to be used selectively—particularly in those areas where Moscow may be reluctant to show its hand directly.

We expect that countries in Africa and the Middle East will remain prime targets for the GDR, but East German attempts to increase its involvement in Latin America may be of most concern to the United States. East Germany's recent efforts in Central America and the Caribbean, its ties to Communist and other leftist groups, and its effort to develop economic relations in the region indicate a growing interest in Latin America. How much further East Berlin will go is not yet clear. In considering this question, East Berlin will have to balance its desire for ties and influence with revolutionary regimes and nonruling leftist parties with its efforts to develop relations with countries like Brazil, Argentina, and Mexico, where East Germany has a growing economic stake.

The impetus for continued expansion of East German activities in the Third World comes from the benefits they offer to the GDR, the USSR, and to the LDCs themselves. In addition to helping secure its international position, East Germany's active role in the Third World reinforces its special relationship with Moscow. It also provides some opportunities—albeit as yet small—for economic gain. For the USSR, the presence of its Warsaw Pact ally in the Third World takes some of the burden off Moscow and helps to diffuse some Western and Third World criticism of superpower interference. We expect the Soviets to look again to the East Germans to test the waters in a target LDC when it is politically inopportune for Moscow to do so. The LDCs benefit from East German programs because of the specialized technical expertise the East Germans have developed, and because an East German presence is frequently not as sensitive a domestic political issue as a Soviet presence would be.

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Nuclear Proliferation

Sino-Japanese Nuclear Cooperation

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Summary

China and Japan continue to engage in nuclear cooperation discussions, and there is mutual interest in increasing the scope of their nuclear trade. Beijing's interest centers on obtaining access to Japanese nuclear technology, markets for Chinese heavy water and yellowcake, scientific exchanges, and the training of Chinese personnel. Japanese domestic firms want to export nuclear equipment to China, but the Japanese Government, which would have to grant export licenses, has felt constrained by China's unwillingness to sign the Non-Proliferation Treaty (NPT), join the International Atomic Energy Agency (IAEA), or require IAEA safeguards on its nuclear exports. Recent disclosures by Beijing that it may soon join the IAEA could break the impasse, possibly giving Japanese firms a competitive advantage in the Chinese nuclear market.

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Nuclear Cooperation Discussions

Chinese and Japanese delegations have discussed nuclear-related topics of mutual interest since a memorandum dealing with the peaceful uses of nuclear energy was signed by the Japan Atomic Industrial Forum (JAIF) and the Second Ministry of Machine Building, now the Ministry of Nuclear Industry (MNI), in September 1981. As a result of this memorandum, Beijing and Tokyo plan to have two or three meetings per year. So far we have reports on three exchanges, beginning with a JAIF-sponsored trip to China in April 1982. During this trip the principal topics of discussions for future exchanges were agreed upon. These include:

- Project management for nuclear power plants.
- Environmental assessments for siting nuclear power plants.
- Exchanging nuclear power plant construction data.
- Treatment of low-level liquid radioactive waste.
- Heavy water advanced thermal reactor technology.

A Chinese delegation visited nuclear power construction sites in Japan during July 1982, and a JAIF delegation traveled to China last May. JAIF and the MNI are currently planning future exchanges to discuss radiation chemistry, safety analyses for nuclear power plants, and the use of computers in nuclear power plant operations, according to a Japanese nuclear trade publication.

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Trade Discussions

In addition to these scientific/engineering exchanges, China and Japan are expressing interest in increasing the scope and level of their nuclear-related trade. Beijing has already sold U₃O₈ (yellowcake) to the Nuclear Fuel Development Corporation (PNC). Beijing has also offered to allow Japan to participate in uranium prospecting and exploitation in southern

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China. It is also possible that Beijing will win the contract for the supply of heavy water for a new advanced thermal reactor that Tokyo plans to build in the future. If built, this reactor would require 300 to 400 tons of heavy water. [REDACTED]

Japanese corporations have also been discussing with the MNI the possible sale of nuclear-related equipment to China. Japanese press accounts have noted a number of discussions between top Japanese corporate officials and representatives of the MNI:

- Mitsubishi Heavy Industries and Nichimen Company, Ltd., are interested in supplying the reactor vessel for a Shanghai reactor. Mitsubishi has also been approached by the Chinese about providing the circulatory pumps for the Shanghai reactor's primary coolant system. Mitsubishi representatives visited China in June 1983 and are currently preparing estimates for this work.
- Hitachi and Japan Steel Works have also expressed an interest in the Shanghai project. Japan Steel Works, which could provide the special steel necessary for the reactor vessel, was approached by the Chinese earlier this year. Hitachi sent the deputy manager of the Atomic Power Projects Division to China on 19 July for discussions about the project.
- Representatives of Okano Valves Manufacturing Company visited China last February to discuss the possible use of valves they manufacture for the Shanghai reactor. [REDACTED]

Outlook

We believe the development of Sino-Japanese nuclear trade, which to date remains relatively small, will largely depend on whether Beijing joins the IAEA and accepts IAEA safeguards on its nuclear exports. If China does not, we believe that nuclear trade between Japan and China will increase only marginally, primarily in the export of nuclear raw materials from China to Japan. If Beijing joins and accepts the safeguards, Japan will find a larger market for its nuclear technology and could gain even greater access to nuclear raw materials. [REDACTED]

China's entry into the IAEA may provide Japan the opportunity to gain a competitive advantage over the United States and other suppliers in the nuclear trade with China. The Japanese leadership, under pressure from Japanese exporters, may not be as insistent as Washington on receiving an explicit Chinese commitment to refrain from furthering the nuclear explosives programs of other countries as a condition of trade. China recently argued in discussions with Washington that its intention to join the IAEA and require IAEA safeguards for future exports was a sufficient guarantee. [REDACTED]

Even if Beijing should eventually agree to terms acceptable to Washington, we believe Tokyo will pursue a vigorous export policy and challenge the United States in the Chinese market. Under such circumstances, Beijing will most likely attempt to play US and Japanese exporters off against each other. If Tokyo is able to offer better terms than US firms, the Chinese could decide to acquire significant amounts of Japanese nuclear supplies even though they currently seem to favor acquiring US products. [REDACTED]

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Arms Transfers

Upgrading Soviet Weapons: A Growing Worldwide Industry

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Summary

The maintenance and modification of Soviet-style weapon systems with the use of Western technology is becoming commonplace in the international arms market. Countries such as Egypt, Iraq, Somalia, China, Libya, and Peru—which have large inventories of Soviet-model tanks, aircraft, and air defense systems and limited financial resources—are increasingly turning to non-Communist defense industries for state-of-the-art electronics packages, propulsion systems, and structural modifications to extend the useful life of their inventories. We believe that the desire of arms purchasers to diversify arms procurement patterns, the relatively low cost of Soviet weapons, and the availability of Western technical upgrading will sustain the modification business for the foreseeable future. West European suppliers are already well into this market, and Third World countries such as Israel, Singapore, and Brazil are becoming active. While partially compensating many Western defense industries for the general decline in sales of major weapon systems, this activity may lead to unauthorized technology transfers, particularly by Third World companies licensed to assemble Western armaments.

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Making Do With Less

According to US security assistance officials, most Third World countries prefer to buy the newest and most advanced Western equipment available on the international arms markets for both prestige and performance reasons. The reality of financial limitations, however, has forced many Third World countries to settle for less. Countries that received large quantities of Soviet weaponry and then cut ties with Moscow are now faced with aging equipment. Many have begun to maintain and modernize this equipment with selective inputs from Western manufacturers. US security assistance officials describe these purchases as Service-Life Extension Programs (SLEPs):

- Egypt has been the most active consumer of this type of assistance, having spent more than \$300 million since 1976 to maintain its vast Soviet-based arsenal by using Western technology Tank engines and spare parts have been purchased from the United Kingdom, France, and West Germany, while the United States and Italy have provided upgrading for aircraft and air defense systems.

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- China, also active in the market, has signed few contracts. Attache reports indicate Britain's Marconi-Ellicott provided 100 to 200 heads-up displays (HUDs) for Chinese F-7s last October; a much larger contract for the modernization of a Chinese Luda-class destroyer with Sea Dart surface-to-air missiles was canceled. [REDACTED]

- Libya has been shopping for spare parts and laser rangefinders from British firms, according to attache reporting.
- Peru is interested in modernizing and integrating its air defense network, according to US Embassy reporting, [REDACTED]

Compatibility

There is also a growing market for modifications to Soviet-made communications and weapon systems in order to make them compatible with Western equipment. Many Third World countries have been diversifying their purchases of military equipment in response to a growing concern that their dependence on a single supplier has made them vulnerable to embargoes and political leverage. For example, France has produced special weapons and fuel pylons that allow Iraqi MIG aircraft to carry NATO standard armaments and fly longer missions, according to an attache report. Similarly, US companies have played an important role in manufacturing equipment for integrating Egypt's new F-16s into the MIG-dominated Air Force. [REDACTED]

Suppliers

Major arms manufacturers in Western Europe have taken the lead in providing maintenance and modification services to Third World nations. These companies have extensive marketing organizations and experience in integrating propulsion, electronics, and armament packages into major weapon systems. Moreover, their governments have closer ties to some countries seeking this type of assistance—particularly China, India, and Libya—than does the United States. Thus far, their approach to this particular market appears to be one of ad hoc responses to specific country requests. Based on US Embassy reporting, however, we believe that some of these firms probably have conducted marketing studies to determine the aggregate size of the market and the potential customers. [REDACTED]

Third World arms industries are becoming more active in the ground forces sector of this market. Firms in Israel, Brazil, and Singapore have all had experience in rebuilding Western armored vehicles or in equipping locally designed vehicles with Western subsystems. Although Israeli familiarity with Soviet-built equipment is an advantage in the market, its status as a regional pariah will probably block its access to the vast market for this type of work in Islamic countries. [REDACTED]

South Korea might also be in a position in a few years to provide Western upgrades for Soviet equipment. In our judgment, the maintenance and modernization of Soviet equipment could provide a useful adjunct to its arms industry. To make use of this opportunity, however, South Korea would need to overcome the management, supply, and production problems it has encountered in upgrading its own aging M-48 tanks. According to defense attache reporting, these problems have significantly delayed completion of the program. [REDACTED]

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We doubt that, with the exception of India and Israel, Third World arms manufacturers will become active in the maintenance and upgrading of Soviet-type aircraft in foreign inventories. India has produced MIG-21s under licensing agreements that preclude exporting spare parts. Moscow recently offered to ease this restriction in order to help service MIG-21 customers worldwide and to offset new Indian purchases of Soviet equipment. Israel has avionics, manufactured under US license and indigenously, that could equip Soviet-type aircraft if customers can be found. Other Third World suppliers do not manufacture avionics or engines and have only a limited experience in assembling aircraft from kits. [REDACTED]

Prospects

Continued economic constraints and diversified buying patterns will increase the demand for Western upgrading and modification of Soviet-type equipment in the next few years. In our judgment, many financially strapped countries will try to modernize and extend the life of their arsenals through upgrading rather than replacement. Syria, Iran, Iraq, China, India, and Libya remain the primary markets. Smaller markets exist in African countries like Zambia and Tanzania. We also believe that the diversified arms acquisition policies of countries like Iran, Algeria, Egypt, Pakistan, and Peru will require them to seek Western assistance in modifying Communist weapons in their inventories. [REDACTED]

We believe growth in this market poses both opportunities and problems for the United States. Western provision of avionics packages, fire control systems, and other state-of-the-art upgrades presents a low-cost and low-visibility means of improving security and political ties with former and existing Soviet clients in the Third World. It may also prove to be a valuable entry point for obtaining intelligence on Soviet military equipment and security assistance practices. Conversely, the provision of this type of technical assistance may provide the Soviet Union and its allies with similar intelligence on Western technology. The danger of unauthorized technology transfers will also increase, in our judgment, if Third World suppliers like Israel, Singapore, and Brazil attempt to increase arms sales and services by offering Western subsystems without adhering to third-party transfer restrictions. [REDACTED]

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**New German Assault Rifle:
A Technological Breakthrough**

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Summary

A major West German arms manufacturer is developing a unique assault rifle that—because of its minimal recoil, high rate of fire, and superior accuracy—could revolutionize modern small arms design and become the European rifle of the 1990s. Field tests are scheduled to begin in 1984 and, if successful, could lead to adoption of the rifle by the West German and other NATO armed forces. The firm is already seeking a foreign coproducer in order to circumvent West German arms export restrictions, and interest in the weapon has reportedly also spread to Eastern Europe.

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25X1**The G11 Rifle and Caseless Ammunition**

According to defense industry sources, the West German firm Heckler & Koch is in the final stage of developing the first man-portable, automatic weapon to overcome the negative effects of recoil on accuracy. Technical specifications indicate that this weapon—designated the G11—is a small, light, gas-operated assault rifle capable of firing in either the semiautomatic or fully automatic mode, as well as in controlled three-round bursts (photo).

that serves as both the breechblock and firing chamber. By simplifying the firing sequence and reducing the reciprocating mass, this system permits a cyclic rate of fire of more than 2,000 rounds per minute—over three times as fast as present-day NATO assault rifles. Because of this high rate of fire and the G11's unique linearly moving internal mechanism, the recoil forces generated during a controlled three-round burst of automatic fire do not build up enough to pull the rifle off target until the last round has left the barrel. According to technical reports, at a range of 100 meters, a three-round burst spreads out only about 30 centimeters. Thus, a soldier with a G11 can fire bursts with essentially the same accuracy as a single round but with a far better chance of hitting the target.

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Trade journals indicate that the G11 is based entirely upon state-of-the-art technology and fires special 4.7-mm caseless ammunition developed by another West German armaments firm, Dynamit Nobel. Unlike conventional ammunition—where the bullet, primer, and propellant are contained within a brass cartridge—caseless ammunition uses the propellant itself to hold the bullet and ignitor. Because there is no cartridge, caseless ammunition eliminates the need for a heavy, reciprocating bolt, which in conventional weapons chambers, fires, extracts, and ejects each cartridge. Instead, the G11 uses a rotating cylinder

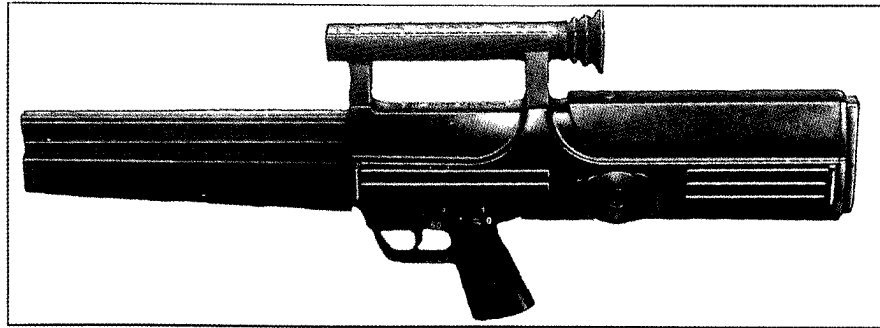
Caseless ammunition also offers other advantages. Because it is composed of an inorganic, high-ignition-temperature propellant (HITP) and binding components, it does not absorb moisture as do conventional

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Latest design of the G11. The completely enclosed housing is particularly noteworthy. []



Military Technology ©

propellants, resists premature ignition caused by the buildup of heat in the chamber, and weighs far less than conventional ammunition, according to industry sources. The weight advantage is great enough to allow an infantryman armed with a G11 to carry almost twice as much ammunition per combat load as with the M-16 and more than six times as much as with the West German G3 (chart). []

Prospects

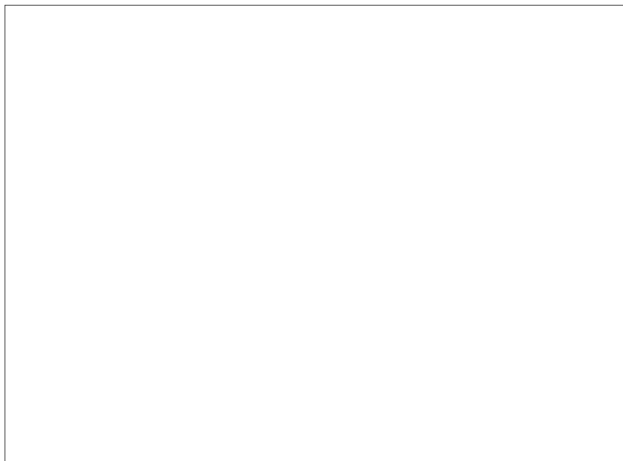
If Heckler & Koch and Dynamit Nobel have mastered this new technology—as appears likely—they will be well placed to dominate the market for a new assault rifle for European NATO forces. We expect, however, that other major arms manufacturers—particularly Steyer-Daimler-Puch of Austria—will attempt to develop and introduce their own caseless weapon system in order to capture a share of a potentially lucrative market. US manufacturers, []

[] have not yet developed the necessary technology to compete in this market.

[] Heckler & Koch plans to field-test the G11 by 1984 and begin series production in 1986. The adoption of this weapon by the West German armed forces seems likely. According to Defense Department reporting, in 1980 the West German military declined to adopt the conventional 5.56-mm cartridge in use by the US armed forces and elected instead to retain their present 7.62-mm G3 rifle until a new weapon using caseless ammunition could be introduced. []

Heckler & Koch and Dynamit Nobel have formed a new company to market and sell the G11, according to defense industry sources. Defense attache reports indicate that this firm is aggressively seeking a licensed producer or a coproducer for the G11 outside of West Germany in order to take advantage of the potentially large international market without being hampered by West German export restrictions on military equipment. According to Defense Department reporting, the British have expressed an interest in such an arrangement and began testing the G11 in April 1983. []

France, the Netherlands, and Norway may also be interested in joining such a consortium. []



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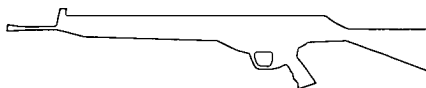
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Comparison of the Systems**Weight of system: 7.35 kg**

G3A3



100 cartridges



7.62-mm x 51

M16 A1



344 cartridges

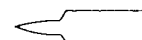


5.56-mm x 45

G11



614 cartridges



4.7-mm



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Narcotics

Drug Trafficking Activities of Insurgent and Terrorist Groups

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Summary

Insurgent groups, particularly those in traditional narcotics growing areas, often play a major role in the cultivation and initial processing—though not in smuggling and distribution—of drugs. Terrorist groups, on the other hand, appear inhibited from direct or extensive involvement in drug trafficking perhaps because of their relatively small size, compartmented structure, ideological predisposition, and separation from production centers. Increased trafficking by insurgents and terrorists—prompted by the lure of easy profits and the opportunity to help undermine the authority of local governments—would undoubtedly prove troublesome for producer countries, but the insurgents and terrorists would not, we believe, supplant existing criminal organizations as the principal suppliers to the US drug market.

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Insurgent Activity

The involvement of insurgent groups in drug trafficking results principally from two factors. First, insurgent groups are often most active in the rural areas that marijuana, coca, or opium growers favor. Such areas are usually remote and feature rough terrain that limits the presence of central governments and hinders antinarcotics efforts. Second, many insurgent leaders recognize that drug trafficking is a lucrative, practical, and usually nontraceable method of obtaining funds to further revolutionary aims. The level of involvement of insurgent groups ranges from merely extorting protection money from known traffickers to direct involvement in the cultivation and distribution of drugs.

Some insurgent groups—notably in Southeast Asia—are heavily engaged in drug trafficking. Indeed, a number of these groups can be likened more to criminal enterprises than to true insurgencies:

- *Shan United Army (SUA)*. The SUA is an organization of approximately 3,000 to 4,000 armed members involved in drug trafficking and smuggling of other contraband. Although generally not involved in the cultivation of opium, the SUA until recently controlled an estimated 70 percent of the opium processing and trafficking in the Thai-Burmese border area. By our estimate, some 80 percent of its funds come from drug trafficking. To provide protection for its activities, the SUA has corrupted numerous local officials in both Thailand and Burma. Thai Government military operations since early 1982 have disrupted SUA operations; nevertheless we believe that the SUA will continue to play an important role in Golden Triangle drug trafficking.

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- **Chinese Irregular Forces (CIF).** The CIF has the longest history of involvement in drugs in the Golden Triangle. [] the 1,500- to 2,500-member CIF began drug trafficking in the early 1950s and today is primarily involved in the production and trafficking of refined heroin for the Thai, Burmese, and international markets. Officially the CIF denies any involvement in narcotics trafficking in order to assure its continued sanctuary inside Thailand. There are apparent connections to Chinese crime syndicates, but we have no reporting of direct links to organized crime in Europe or the United States.
 - **Burmese Communist Party (BCP).** Drug trafficking by BCP elements prior to 1978 was on a minor scale and appears to have been the work of individuals without explicit approval of the party leadership. In 1978, however, the BCP apparently began compensating for a sharp reduction in Chinese assistance by resorting to party-sponsored and centrally directed opium poppy cultivation and trafficking. Today the BCP controls large areas of Burma's opium-growing regions and is the principal purchaser of raw opium from farmers. According to Embassy assessments, the BCP transports most of its opium and opium products to the Thai border, where it is refined into heroin by other narcotics trafficking organizations.
 - **Shan United Revolutionary Army (SURA).** The SURA, established in 1969, is a smuggling and trafficking group of approximately 800 to 1,000 armed members active in Burma's southern Shan State. Although the SURA claims to seek autonomy for the Shan State, its real goal is the establishment of a power base for its warlord army, and it supports this end through drug trafficking. The SURA is involved in the extortion of farmers, the taxing of opium production, and the corruption of officials as well as the operation of several border refineries. []
 - **Shan State Army (SSA).** The SSA is an ethnic-based insurgent group established in 1960. Its 2,000 to 4,000 armed members are active throughout Burma's Shan State. The SSA encourages opium poppy cultivation and taxes production as well as local dealers and passing caravans. The profits are used to corrupt local officials and purchase weapons and supplies.
 - **Kachin Independence Army (KIA).** The KIA, also founded in 1960, is an ethnic insurgent group of more than 4,500 armed members that operates throughout the Kachin and northern Shan States in Burma. The KIA taxes opium production, local traffickers, and caravans and acts as a broker between growers and other trafficking organizations. []
 - **Revolutionary Armed Forces of Colombia (FARC).** The FARC—the largest and most formidable insurgent group in Colombia—entered the drug business about 1977, according to US Embassy reporting. Its involvement in drug trafficking has increased as coca cultivation has expanded into traditional FARC strongholds. FARC units in these areas began by exacting fees from traffickers for use and transit of FARC-controlled territory. According to a US Embassy report, the FARC even established production quotas and set wage guidelines for workers and growers. Indeed, we believe that one of the FARC's fronts in southeast Colombia was organized expressly for the control of coca production—with the aim of using the profits from the trade to support other fronts. Embassy reports also indicate that the FARC is involved with organized smuggling networks in a brisk trade of guns for drugs.
 - **National Liberation Army (ELN).** A Castroite Marxist-Leninist organization, the ELN was established in 1963 and, although small, operates throughout Colombia. According to unconfirmed Embassy reporting, ELN members have been involved in extorting money from coca growers and in cultivating marijuana.
- Other insurgent organizations directly involved in the drug trade have maintained more of their insurgent character. These groups devote only a part of their effort to drug-related activity:
- There is a third category of insurgent groups that have only occasional contact with traffickers, with trafficking-related activities ranging from extortion of producers and processors to limited participation in domestic distribution:

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- **Popular Liberation Army (EPL).** Founded in 1967, the EPL is associated with the pro-Beijing Colombian Communist Party/Marxist-Leninist (PCC/ML). The EPL is active in Colombia's Cordoba Department and the Gulf of Uraba region in northern Colombia. Colombian authorities have told the US Embassy that they suspect that the EPL obtains some of its weapons from drug traffickers operating in the Gulf of Uraba and that some EPL members may be engaged in marijuana cultivation and trafficking.

- **Sendero Luminoso (SL).** The SL, a Maoist insurgent/terrorist group based primarily in the Ayacucho region of Peru, has extorted money from traffickers operating in its territory, according to Embassy reporting. The local press and Peruvian officials have attempted to link the SL to systematic drug trafficking, but we cannot substantiate such charges.

- **Various ethnic groups** in Southwest Asia, such as Pakistani and Afghan tribesmen and Kurds, have long been involved in smuggling operations, some of which involve narcotics. The Kurds in particular have an experienced cadre of narcotics traffickers and processors who operate relatively freely throughout western Iran and eastern Turkey.

the insurgents were at one time earning more than \$300,000 a month from the sale of drugs and gems. Most evidence suggests, however, that insurgent organizations are not directly involved in the opium traffic, but are financed in part by taxes and contributions from growers and smugglers.

- **Philippine Insurgent Groups.** During a recent discussion with US officials, the head of the Philippine narcotics command noted that insurgent groups, including the New People's Army (NPA), were cultivating marijuana and selling it locally to help finance their operations.

Terrorist Involvement

Urban terrorist groups are much less involved in drug trafficking. We believe this stems principally from the small size, compartmented structure, ideological predisposition, lack of opportunity, and their urban orientation. Moreover, there is little apparent need for

many of the established organizations to engage in drug trafficking. These groups receive financial and logistic support from patron states that, coupled with income from bank robberies and kidnappings, usually is sufficient to ensure continued operational activity. There are, however, some reports of terrorist use of drug trafficking to support their activities. The credibility of these reports varies widely, and they describe a range of activities from those directed by the leadership to the opportunistic acts of individuals. 25X1

The most credible example of terrorist involvement in drug trafficking involves the Colombian 19th of April Movement (M-19), which in October 1981 successfully used the drug smuggling apparatus of Jaime Guillot Lara to bring a large shipment of weapons into Colombia. According to Embassy reporting, other instances of M-19 drug-related activity involve extortion of money from traffickers and growers and kidnappings of wealthy traffickers and members of their families. The urban orientation of the M-19 prior to 1981 and competition from established Colombian trafficking syndicates probably have limited further M-19 involvement in drug trafficking. 25X1

Other examples of drug-related activity by terrorists include:

- [redacted] police in Spain's northern province of Guipuzcoa last April discovered almost 7 tons of cannabis that they believed to belong to the Basque Fatherland and Liberty (ETA). According to Embassy assessments, the ETA has employed known drug smugglers as low-level operatives and couriers, and [redacted] some individual members occasionally traffic in drugs. 25X1
- [redacted] another Basque terrorist organization, the little-known and probably defunct Basque Resistance Army (ERE), allegedly financed itself largely through the sale of drugs. Spanish police claim that this group was dismantled in 1981 but do not discount the possibility that some of its members may now belong to other Basque terrorist groups. 25X1

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- [redacted]
[redacted] An account in the British press claimed that the Loyalist paramilitary units in northern Ireland were financing some of their activities through drug trafficking, but the author later revealed that much of his reporting was based on uncorroborated information and dubious sources.

Inasmuch as such activity is unlikely to greatly increase the production of marijuana, opium, and coca—already well in excess of that needed to supply users—and these groups lack the network to distribute drugs internationally, we do not believe that a greater interest in drug trafficking will result in a marked increase in the availability of drugs in the United States. Instead, major drug smuggling and distribution syndicates will continue to play the pre-dominant role in supplying the US market for drugs.

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- Rightist groups in Italy (Armed Revolutionary Nuclei—NAR) and Turkey (Turkish Nationalist Action Party—NAP) have been linked to trafficking by local press accounts, but specific details are lacking.
- The Palestinian terrorist group 15 May, like the ETA, has been known to use drug smugglers as low-level operatives and couriers, but we have no reporting indicating that it is involved in drug trafficking.

[redacted]

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Outlook

We believe insurgent groups will continue to be an active, though minor, part of the chain that brings illicit drugs into the United States. Indeed, insurgent—and perhaps terrorist—drug-related activity may be increasing. [redacted]

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[redacted] it appears that more insurgent groups are engaging in drug trafficking and that some marginally involved groups are increasing their level of activity. If this is the case, insurgent and terrorist groups may become richer and better equipped, posing more serious problems for host governments and further complicating international narcotics control. [redacted]

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Pakistan: Heroin Trafficking Continues

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Summary

Heroin seizures in Pakistan, Europe, and the United States indicate that heroin laboratories in Pakistan's North-West Frontier Province are still operating despite a November 1982 government-inspired crackdown by tribal leaders. Tensions remain high as tribal traffickers and government authorities clash over the narcotics issue. Although the Landi Kotal crackdown immobilized some processors, eliminated some laboratories, and dispersed a few others to surrounding areas including Afghanistan, we believe the city of Landi Kotal and its environs probably remain the center for narcotics processing in Pakistan. Sustained enforcement efforts are hampered because high-level Pakistani authorities disagree on the extent of heroin production in and around Landi Kotal and the ability of tribal leaders to enforce the ban.

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Enforcement and the Traffickers' Reaction

In 1982 the Pakistani Narcotics Control Board (PNCB) reported publicly that Pakistan's rapidly rising heroin trade was centered in Landi Kotal, where 30 laboratories were believed to be operating. Deep within the tribal areas of the North-West Frontier Province, where the government has little authority, this ancient smuggling and trade city is strategically situated to host the heroin trade.¹ It is close to the opium-growing areas of Pakistan and Afghanistan, not far from the important narcotics brokering center of Peshawar, and near the Afghan border, beyond which laboratories can safely relocate when pressure mounts in Pakistan.

In November 1982, President Zia, publicly recognizing that Pakistan faced a worsening heroin abuse problem and presumably responding to mounting US

pressure, directed his political agent in Khyber Agency to order the tribal chiefs to stop the Landi Kotal heroin trade. Shortly thereafter the tribal elders ordered the chemists to surrender their equipment or face fines of \$40,000 and public disgrace. Although the Shinwari and some of the Afridi tribesmen violently opposed this decision, government officials told US Embassy representatives that by early December traffickers had been persuaded to surrender the hardware from 27 laboratories and that heroin production had ceased in the Khyber area.

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Khyber traffickers have emphatically objected to the ban and to subsequent enforcement operations, viewing both as an infringement on their tribal sovereignty as well as a threat to their narcotics trade. Indeed, periodic rallies by tribesmen in defense of arrested drug traffickers have kept the Khyber area tense. In

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May, one Pakistani official reported to US Embassy officials that he was calling upon the Khyber Rifles almost daily to control antienforcement demonstrations organized by the United Federation of Tribesmen, a small but vocal group of agitators whose membership reportedly includes heroin traffickers. When the alleged head of the Landi Kotal branch of the Federation—himself a trafficker—was arrested, his followers reportedly organized a demonstration that blocked the eastern approach to the Khyber Pass. Outbursts such as these are probably directed in part at the United States, which, [redacted]

[redacted] is regarded by tribesmen as the source of much of the current antinarcotics sentiment in the NWFP. [redacted]

Despite the government-sponsored enforcement activities, heroin production and trafficking in Landi Kotal and its environs continue:

- According to Pakistani authorities, a raid on a Landi Kotal heroin laboratory on 10 April netted three traffickers, including a ringleader who allegedly was responsible for operating six of the seven laboratories that officials believe had been reestablished in the city.
- Pakistani authorities also reported that heroin “shops” in Bara and Jamrud, both within 25 kilometers of Landi Kotal, were raided in June and several traffickers were arrested.
- During May and June the Khyber Political Agent, the Home Secretary for the NWFP, and the Chairman of the Pakistani Narcotics Control Board all reported to US Embassy officials that they had information on laboratories operating in the Landi Kotal area.
- [redacted] three laboratories were set up at unspecified locations in Afghanistan after the governor of Jalalabad invited processors from Landi Kotal to Afghanistan, promising that they would be permitted to manufacture as much heroin as they wished under Afghan Government protection.
- [redacted] four or five Shinwari tribesmen had accepted an invitation from Afghan officials to reestablish their laboratories across the Durand Line. [redacted]

Enforcement Effectiveness: The Pakistani View

Pakistani authorities are not in agreement, at least publicly, over the level of the heroin trade and the steps needed to control it. Comments by officials who have candidly reported to Embassy personnel on the Khyber laboratories suggest that tribal justice has been slow, uneven, and ineffective. These officials have stressed that sustained enforcement efforts beyond those provided by tribal leaders and greater enforcement activity elsewhere in Pakistan will be needed to end the Pakistani trade:

- In January 1983, Khyber Political Agent Shakeel Durrani speculated that the dismantled laboratories would reestablish themselves “underground” in Landi Kotal, making them even harder to detect.
- Recognizing that heroin production had not abated, NWFP Home Secretary Jamshed Burki expressed the opinion that stronger enforcement against processors rather than negotiated settlements with tribal leaders would be required to slow the trade.
- Mairj Husain, Chairman of the PNCB, recently stated that the time had come to arrest major traffickers and try them in martial law courts. [redacted]

Despite being advised of continued heroin production in the NWFP, other influential Pakistani officials seem content with the present level of enforcement in the tribal areas. By characterizing the tribal crackdown as effective and taking a cautious attitude toward further enforcement, these officials may be trying to deflect antinarcotics pressure away from the NWFP. We believe they are motivated in part by a desire to prevent President Zia, who now is committed publicly to bringing heroin production under control, from being embarrassed by a failing program. Also, they are probably concerned that escalating antinarcotics pressure in the NWFP could lead to destabilizing confrontations between government authorities and militant Pathans. In this regard:

- Interior Secretary Roeded Khan recently told US officials that a political agreement with the tribes has led to the destruction of 41 heroin laboratories in the Khyber area and stressed that future effort should be coupled with developmental projects in the region.

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- President Zia's Chief of Staff, General Arif, explained to US officials that the government must be careful not to upset the traditional society if it expects to maintain the much-needed cooperation of the tribesmen on the narcotics issue.
- North-West Frontier Province Governor Fazle Haq contended until recently that the November 1982 strike against the Landi Kotal laboratories all but eliminated heroin production in Pakistan. He has maintained that heroin seized in Pakistan since November originated in Afghanistan, citing a 396-kilogram shipment confiscated by Pakistani Customs near Peshawar in December 1982 as an example. Laboratory analysis, however, reveals that this and other large seizures contained nothing more than heroin residue, and [redacted] these seizures may in fact have been staged by NWFP officials. [redacted]

Stymied by their inability to close down the heroin laboratories, Pakistani enforcement officials may well redirect their efforts toward investigations of major international traffickers operating from brokering centers such as Karachi, Lahore, and Rawalpindi—an activity that would benefit from US assistance and training programs. Enforcement activities should be aided by the improved antinarcotics legislation that Interior Minister Kahn has said is forthcoming, although problems posed by the lack of coordination among Pakistani enforcement agencies and insufficient manpower, intelligence, and investigative skills will still have to be resolved. [redacted]

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Outlook

Pakistani authorities—especially if prompted by US officials—will probably continue to urge tribal leaders to move against heroin laboratories in the Khyber area, but we believe it likely that a nucleus of heroin processors will continue to operate in the Khyber area beyond the reach of the government and with the tacit consent of tribal leaders. Despite government encouragement, tribal leaders probably will not pursue processors across the border into Afghanistan, and their enforcement actions in the Khyber probably will be selective, targeting first those traffickers who are agitators drawing unwelcomed attention to the area. Government officials who are worried that extensive antinarcotics sweeps could destabilize the tribal areas will prevent enforcement authorities from carrying out major operations on their own. [redacted]

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